

AN UNSTRUCTURED APPROACH TO BUILDING STRONGER LEADERSHIP TEAMS

Following the financial crisis and the taxpayer-funded bailout of RBS Bank, the European Union's Competition Commission ruled that the Bank had to divest their insurance division; RBS Insurance.

In 2009, a new Executive Team, was appointed to lead this work. Their remit was to prepare the RBS Insurance division for divestment by 2014.

The new team faced a series of difficult challenges, most critical of which was to turn a loss making business, into a profitable one within just 12 months; at the same time as making thousands of staff redundant.

Having a strong and motivated leadership team was essential to being able to challenge staff to develop more innovative processes and to drive through the transformational change needed to make this a success story.

We talked with Mark Martin, HR Director, RBS Insurance, about his experience of working with Relume during this period of rapid change.



AS PART OF THE NEWLY FORMED EXECUTIVE TEAM, YOU MUST HAVE FACED SOME VERY TOUGH BUSINESS ISSUES?

There were a number of key business challenges we faced.

Turnaround of business profitability

In 2009, RBS had made a significant loss, and in 2010, the loss was forecast to continue to rise to somewhere between £0.5 -1 billion. To meet the aggressive sale target, we needed to transform this into a profit-making entity within a 12-month period.

Breaking away from RBS processes and structures

We had the problem that we were part of RBS in every sense. People who worked for RBS bank were doing some of the insurance work, which we would have to do ourselves when we separated. We had many IT systems that were integrated in the overall RBS IT infrastructure that we would have to build from new. In addition, two-thirds of HR processes were delivered by RBS group and all HR systems were theirs.

We also could not be sold with the brand name of RBS Insurance, so from the letterheads to the telephones, we had to build a new brand for the new business. This all had to be done very quickly.

Building a culture of trust

We had 15,000 people in the insurance business and 7 – 8000 more ‘hidden’ in the RBS Group doing jobs we would need to do in the new business. This was far too many than we needed for a future, more agile company. Also we had too much bricks and mortar, too many sites, and would need to close three quarters of them.

So, we knew we would have to lose thousands of people, yet significantly increase their productivity at the same time. The new company could not offer the final salary pension scheme and other benefits that staff had previously enjoyed as employees of RBS Bank. We could only gain the best from our staff by building trust between them and our Executive Team.

Transforming all levels of leadership

The Executive Team was just being formed but needed to operate effectively from the start. We also had 200+ senior managers in the organisation, but not the leaders we needed them to be. We needed to create a smaller leadership team, who would have the courage to embrace the leadership challenge we faced and to push through our change agenda.

“This was not just moving the chairs around. This was like open heart surgery whist running a marathon at a sprint pace”.

“At the start, meeting our targets for sale was like a distant dream”.



LEADERSHIP TRANSFORMATION WAS KEY IN PUSHING THROUGH YOUR CHANGE AGENDA. WHAT WERE THE MAIN CHALLENGES YOU FACED?

What were the main challenges you faced?

Once we realised the scale of the challenge we faced, the Executive Team probably felt a bit sorry for themselves – without admitting that to each other! We had to find a way to admit our fears and help each other drive through this change.

Traditionally, the organisation was siloed and political, with a culture where people wanted to out-do each other. So, not only did we need to transform managers into leaders, but we also needed them to work as a cohesive team in a culture of mutual trust.

“The Executive Team had to make the decision that they had to change how they worked together and that they would all have to ‘jump off the cliff’ together”.

YOU SELECTED RELUME TO SUPPORT THE EXECUTIVE TEAM DURING THIS CRITICAL PERIOD. WHY?

We brought in Relume because the business actually needed to change and change very quickly. I had worked with Relume before, and recognised that we had some deep stuff to do as an Executive Team. We needed to find courage to look deep into ourselves about what needed to be done. We needed to build and bond as a team to face the most difficult of these challenges.

I felt that Relume were the only company out there who could really get into that. They had won it for me when I was at T-Mobile.

“The business situation was the perfect storm. I honestly don’t think we would have got through it without the relationships and support of Relume.

Without them, we would never have achieved what we did”.



WHAT MAKES THE RELUME APPROACH UNIQUE?

What Relume do is that they really get into what matters. They get into the uncomfortable questions. They ask the difficult questions – they get messy.

They are not over-structured – so they will not say ‘if you do these three things, this is the outcome’. They do not provide certainty because there is no certainty in this.

There is no textbook for this sort of work – it is all about relationships, hopes, fears and distrusting.

Some members of the Executive Team were very uncomfortable with this approach. They had been used to working with other companies who come in and just build a raft – where you say what your commitments are and something that you will do better. It makes you feel better but you do not actually have to face anything and it does not solve the issues that need addressing.

“Working with Relume is difficult, uncomfortable and rewarding. What they do can be miraculous”.

Some members of the team said ‘I don’t think that this is going to work’ – but then the approach did work. They put that down to luck the first time, but it kept on working. I think that our CEO was heroic in carrying on with Relume and not going back to the sort of people that he had used before. He saw that despite the unstructured process, it led to a step forward each time, and a stronger bond between us.

HOW DID RELUME HELP ADDRESS YOUR CHALLENGES?

Relume did fantastic work in bringing together a new operational leadership team. They got people to understand each other’s problems and they then realised that they were all in the same boat – facing impossible challenges.

One intervention that I thought was going to be a huge risk was called ‘The Goldfish Bowl’. Relume used this at an event with 100 of our top leaders. In the room, there was a raised platform with four chairs on it. Four people were seated in those chairs, surrounded by all the other leaders in the room. Those four people would talk about the challenges they faced. Then one would get up and if someone else in the audience had the courage, they could then get up, take the vacated seat, and say what they were feeling.

“At a very deep, personal level, you are not hiding any more – you are not pretending to be a big tough Director – you know that they know who you are and that they are going to respect that and support that”.



Initially, I was not sure that people would get up – but the way that Relume managed this gave people the courage and strength to do just that. It was a defining moment when people saw their colleagues just as people like themselves; realised that everyone was under massive stress, that we all needed help and that we were all in it together.

“When I look back on the work we did with Relume, I do so with massive pride”.

HOW HAVE THE RELUME INTERVENTIONS BENEFITED THE COMPANY?

With the help of Relume, we were able to transform the new business into a success story. We managed to increase profitability by £1 billion within 12 months. In fact, we managed to double our productivity at the same time as significantly reducing our numbers of staff and closing most of our sites. Even those offices that we had to close, e.g. Cardiff, broke records for productivity as they were closing due to the relationships and trust that we had been able to build up with people.

Staff had previously despised and distrusted leaders as RBS – but with help, we (the Executive Team) were transformed into real people who cared about them, talked to them and gave them real and honest information about the business.

“I have never come across anyone who came close [to Relume].

I recommend them 100%”.

In those difficult times when Relume walked through the door – there was immediately a sense of support. When it gets tough – it is Relume that you want next to you.